

**SPECIAL MEETING OF
DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT**

Tuesday, February 14, 2006 7:30 PM

CITY COUNCIL CHAMBERS, ONE TWIN PINES LANE

CALL TO ORDER 10:45 p.m. (Note: City Council and Redevelopment Agency Meetings held prior to BFPD Meeting.)

ROLL CALL

Directors Present: Lieberman, Dickenson, Feierbach, Warden, Mathewson

Directors Absent: None

Staff Present: Interim District Manager Crist, City Attorney Zafferano, Fire Chief Lowden, Finance Director Fil, District Secretary Cook.

CONSENT CALENDAR

Approval of Minutes of Special Meeting of January 10, 2006.

ACTION: On a motion by Director Warden, seconded by Director Dickenson, the Consent Agenda was unanimously approved by a show of hands.

ADDITIONAL BUSINESS

Alternative Proposals for Future Fire Services in the City of Belmont, Public Meeting #5 February 14, 2006

Interim District Manager Crist reviewed the actions and discussions held to date regarding this issue, and that a final decision regarding fire services would be made on February 28, providing a four-month implementation period. He noted that the focus of tonight's meeting would be to outline the pros and cons of a standalone fire district, which is a feasible option. He reviewed the assumptions used to provide cost analyses. He confirmed that there are three options for consideration: standalone fire district, contract for service with the City of San Mateo, or a reconstituted South County Fire Authority.

Director Warden expressed his appreciation for the time and effort that went into compiling the data. He stated that a standalone fire district is a feasible option, and noted that all options have pros and cons.

Director Feierbach stated that support for an assessment may be achievable under the standalone fire district option. She noted that if the annexation of the remaining Harbor Industrial Area (HIA) property occurs, those property owners would need to pay more through an assessment for fire services. She supports the retention of the South County Fire Authority, and prefers an option that retains local control. She noted that the City of San Carlos does not support the imposition of an assessment. She stated that the ending balance for SCFA by June 30th is projected to be only \$30,000. She commented regarding the tax loss the resulted from the previous HIA annexation. She stated that she and Director Warden put together a proposal to save SCFA.

Director Warden stated that the California Department of Forestry proposal is not an option. He has a high regard for public safety, and noted that local control is important. He supports saving SCFA. He has had discussions with all stakeholders, and has been working through the many political issues. He noted the final decision would be based on financial issues.

Gary Jacobs, SCFA firefighter, provided an electronic spreadsheet containing three funding models for SCFA, using various allocations, including calls for service and demographic data as a basis. He outlined the weights applied to each category. He noted the various scenarios are based on hard figures.

Director discussion ensued regarding the various funding formulas as presented by Mr. Jacobs.

Director Dickenson stated that the funding formula should be simplified so that the assessment would be supported by the public.

Director Warden described the history that led to the decision to dissolve SCFA. He noted that the two cities have loaned money to SCFA to keep it afloat. Firefighters were laid off. New revenues were sought, but San Carlos did not support an assessment. Belmont has been subsidizing SCFA for ten years. He stated that the political change in San Carlos may help this situation. He has discussed this issue at length with San Carlos Mayor Grocott, and expressed his appreciation for the attention Mr. Grocott has given. He noted that there are \$13 million in unfunded liabilities that need to be addressed. All of

Belmont's Councilmembers have attended all the meetings held recently regarding this issue, but there has been little cooperation from San Carlos.

Director Warden expressed his frustration over this issue. Assessed value should be a factor in determining the allocation for each city. He noted that the workers compensation risk is higher because of calls to San Carlos. Fire service is important, and this issue is not simply about numbers on paper.

Director Feierbach stated that San Carlos does not want to pay as much as Belmont collects for fire services, as it has other priorities.

In response to Director Feierbach, Interim District Manager Crist clarified that the City of San Mateo is committed to providing updated cost estimates for next year's budget. He noted that all components of a potential contract are subject to negotiations.

Director Lieberman stated that a multi-year contract could be negotiated to include an escalator clause.

Director Warden stated that costs for a standalone fire district and a contract with San Mateo are have similar. He expressed concern regarding hidden costs and control issues with the San Mateo option. He noted that the funding formula was debated when SCFA was formed in 1979, but never addressed, and has remained an equal split ever since. San Carlos has grown since then, and now has more industrial area and more houses. The cost allocation should include factors for population, assessed value, and types of calls. He noted that San Carlos's proposed funding formula does not vary much from the current 50/50 split, which he does not support.

President Mathewson stated that maintenance of the fire stations and vehicle costs may need to be borne by the General Fund. He supports the proposal as outlined by Directors Feierbach and Warden.

Director Lieberman stated that there are risks in a standalone fire district. He noted there may also be an issue regarding cost-sharing should San Carlos choose the San Mateo option along with Belmont.

Director Feierbach noted that San Mateo offered the same proposal to both Belmont and San Carlos, which would mean that Belmont would again be subsidizing the cost of fire services to both communities.

MEETING EXTENSION: At this time, being 12:00 midnight, on a motion by Councilmember Lieberman, seconded by Councilmember Dickenson, the meeting was unanimously extended by thirty minutes by a show of hands.

ACTION: Director Warden made a motion to remove Option #7 (“Harbor Industrial Area Revenue, \$150,000 per year change”) from consideration.

Director Lieberman stated that the HIA option may have been an attempt by San Carlos as a way for Belmont to recoup the loss those monies represent. He stated the equal split may have been appropriate at the of the formation of SCFA, but may no longer be. He expressed concern for the appropriateness of including assessed value as a factor in the funding formula. He stated his prime goal is to save SCFA, and he would like to find a way to make it easy for San Carlos to agree.

Director Feierbach stated that at one time San Carlos wanted more votes if the original 50/50 funding formula were to be changed. She stated she owes nothing to San Carlos, but does owe something to Belmont residents and the firefighters.

Director Warden stated that had Measure I passed in 2003, San Carlos would have paid more under that funding formula. He desires a funding formula that is fair and reasonable.

President Mathewson stated that the funding formula needs to be fair to Belmont residents.

Fire Chief Lowden stated that he would support a formula that includes assessed value and population. He noted that there are spikes in call volumes, and the value allocated to that component should be set lower. He expressed the need to recognize the impact of the HIA revenue loss to SCFA. He noted there are problems with the current SCFA agreement.

Director Warden stated that a fee for fire service could be added to the cost of a building permit, in order to seek cost recovery from future development.

Matt Grocott, San Carlos Mayor, stated he has discussed this issue with Mr. Grassilli, the other Fire Board member from San Carlos. He noted that the formula to which they have concurred does not differ greatly from the one proposed by Directors Warden and Feierbach. The formula as proposed by he and Mr. Grassilli blends assessed value and population together. This formula has San Carlos paying approximately \$150,000 more for the first year. He would like to study Mr. Jacobs' information in more detail. He also noted that the San Carlos City Council has concurred to extend deadlines if necessary.

Ed Hawkins, Belmont resident/President of the Firefighters Union, noted that both the National Fire Protection Association and International City Managers Association recommend organizing fire service based on response times, but that San Carlos and Belmont politicians are using a formula. He noted that fire departments in other jurisdictions are merging, and that smaller districts cost more. There is an economy of scale in a larger district, and a larger department is able to provide more services. The goal in this matter is to build a better fire department.

Director Warden stated that Belmont has been subsidizing both the County and San Carlos, and philosophies regarding growth have changed in San Carlos and Belmont over the years.

President Mathewson noted that the Public Employee Retirement System (PERS) rate is high for SCFA.

MEETING EXTENSION: At this time, being 12:30 a.m., on a motion by Councilmember Feierbach, seconded by Councilmember Lieberman, the meeting was unanimously extended by thirty minutes by a show of hands.

Brian Randall, San Carlos resident, expressed his support for saving South County Fire. He thanked Director Warden and Mayor Grocott for their efforts on this issue.

President Mathewson stated he trusted that Directors Warden and Feierbach would negotiate the details of the proposal with San Carlos in good faith, and he supports this process.

Director Lieberman concurred that they will negotiate something in the best interest of Belmont.

Director Warden noted that the political issues have mostly been resolved. He commented that this issue is not just about having meetings and signing an agreement. This is a long-term commitment, which is not just about money. Belmont lost trust in its business partner, and that trust needs to be rebuilt, since trust is an important component.

ACTION: on a motion by President Mathewson, seconded by Director Lieberman, and approved by a show of hands (4-0-1, Feierbach abstain) to negotiate the Warden/Feierbach proposed funding formula with the two representatives from San Carlos.

ADJOURNMENT at this time, being 12:45 a.m.

Terri Cook
District Secretary
Meeting audio-recorded and videotaped
Audio Recording 626

minutes approved 3/28/2006